

(6) A unit subsidized with rental assistance payments under Section 521 of the Housing Act of 1949 (a Rural Development Administration Program);

(7) Housing assisted under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974);

(8) A Section 221(d)(3) project;

(9) A project with a Section 202 loan;

(10) A Section 202 project for non-elderly persons with disabilities (Section 162 assistance);

(11) Section 202 supportive housing for the elderly;

(12) Section 811 supportive housing for persons with disabilities;

(13) A Section 101 rent supplement project;

(14) A unit subsidized with tenant-based assistance under the HOME program; or

(15) Any unit with any other duplicative Federal State, or local housing subsidy, as determined by HUD. For this purpose, "housing subsidy" does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.

(d) An HA may attach assistance under this part 983 to a highrise elevator project for families with children only if HUD determines there is no practical alternative. HUD may make this determination for an HA's project-based assistance, in whole or in part, and need not review each project on a case-by-case basis.

(e) Assistance may not be attached to a unit that is occupied by an owner; however, cooperatives are considered to be rental housing for purposes of this part 983.

(f)(1) *HA-owned unit* means a unit (other than public housing) that is owned by the HA which administers the assistance under this part 983 pursuant to an ACC between HUD and the HA (including a unit owned by an entity substantially controlled by the HA).

(2) An HA-owned unit may only be assisted under the project-based certificate program if:

(i) The HA-owned unit is not ineligible housing under this section.

(ii) The HUD field office selects the HA-owned unit pursuant to the com-

petitive ranking and rating process specified in the HA's HUD-approved unit selection policy (see § 983.51).

(iii) The HUD field office establishes the initial contract rents.

(iv) The HUD field office has conducted all HA reviews required under this part before execution of the Agreement.

(3) Any adjustment of the contract rent for an HA-owned unit must be approved in advance by the HUD field office.

(4) As owner of an HA-owned unit, the HA is subject to all of the same program requirements that apply to other owners in the program.

(5) HUD headquarters establishes the amount of the administrative fee for an HA-owned unit. The HA will earn a lower ongoing administrative fee for an HA-owned unit than for a unit not owned by the HA, and no fee for the cost to help a family experiencing difficulty in renting appropriate housing.

(6) HA-owned units are subject to the same requirements as units that are not HA-owned, including the ineligibility of units that are currently public or Indian housing and units constructed or rehabilitated with other assistance under the U.S. Housing Act of 1937.

[60 FR 34717, July 3, 1995, as amended at 63 FR 23870, Apr. 30, 1998]

§ 983.8 Rehabilitation: Minimum expenditure requirement.

(a) To qualify as rehabilitation under this part 983, existing structures must require a minimum expenditure of \$1000 per assisted unit, including the unit's prorated share of work to be accomplished on common areas or systems, in order to:

(1) Upgrade the property to decent, safe, and sanitary condition to comply with the housing quality standards or other standards approved by HUD, from a condition below those standards;

(2) Repair or replace major building systems or components in danger of failure within two years from the date of the initial HA inspection;

(3) Convert or merge units to provide housing for large families; or

(4) For up to seven percent of the units to be assisted, make accessibility

improvements to the property necessary to meet the requirements of Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Amendments Act of 1988.

(b) In determining the minimum expenditure of \$1000 per assisted unit, the HA must include the prorated cost of common improvements in the costs of the individual units.

§ 983.9 Prohibition against new construction or rehabilitation with U.S. Housing Act of 1937 assistance and use of flexible subsidy; pledge of Agreement or HAP contract.

(a) Assistance may not be attached to any unit which was in the five years before execution of the Agreement, or will be, constructed or rehabilitated with other assistance under the U.S. Housing Act of 1937 (e.g., public housing (development or modernization), rental rehabilitation grants under 24 CFR part 511, housing development grants under 24 CFR part 850, or other Section 8 programs). In addition, a unit to which assistance is to be attached under this part 983 may not be rehabilitated with flexible subsidy assistance under part 219 of this title. HUD may approve attachment of assistance to a unit that was rehabilitated with public housing modernization funds before conveyance to a resident management corporation under section 21 of the U.S. Housing Act of 1937 (42 U.S.C. 1437s) if attachment of project-based assistance would further the purposes of the sale of the public housing project to the corporation.

(b) If an owner is proposing to pledge the Agreement or HAP contract as security for financing, the owner must submit the financing documents to the HA. In determining the approvability of a pledge arrangement, the HA must review the documents submitted by the owner to ensure that the financing documents do not modify the Agreement or HAP contract, and do not contain any requirements inconsistent with the Agreement or HAP contract. Any pledge of the Agreement or HAP contract must be limited to amounts payable under the HAP contract in accordance with the terms of the HAP contract.

§ 983.10 Displacement, relocation, and acquisition.

(a) *Minimizing displacement.* (1) Consistent with the other goals and objectives of this part, an owner must assure that it has taken all reasonable steps to minimize the displacement of persons (households, businesses, nonprofit organizations, and farms) as a result of a rehabilitation project assisted under this part.

(2) Whenever a building or complex is rehabilitated and some, but not all, of the rehabilitated units will be assisted upon completion of the rehabilitation, the relocation requirements described in this section cover the occupants of each rehabilitated unit, whether or not Section 8 assistance will be provided for the unit.

(b) *Temporary relocation.* The following policies cover residential tenants who will not be required to move permanently but who must relocate temporarily for the project. Such tenants must be provided:

(1) Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporary housing and any increase in monthly rent/utility costs;

(2) Appropriate advisory services, including reasonable advance written notice of:

(i) The date and approximate duration of the temporary relocation;

(ii) The location of the suitable, decent, safe and sanitary dwelling to be made available for the temporary period;

(iii) The terms under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling in the project upon completion of the project; and

(iv) The assistance required under paragraph (b)(1) of this section.

(c) *Relocation assistance for displaced persons.* A "displaced person" (defined in paragraph (g) of this section) must be provided relocation assistance at the levels described in, and in accordance with the requirements of, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) (42 U.S.C. 4201-4655) and implementing regulations at 49 CFR part 24. A "displaced person"